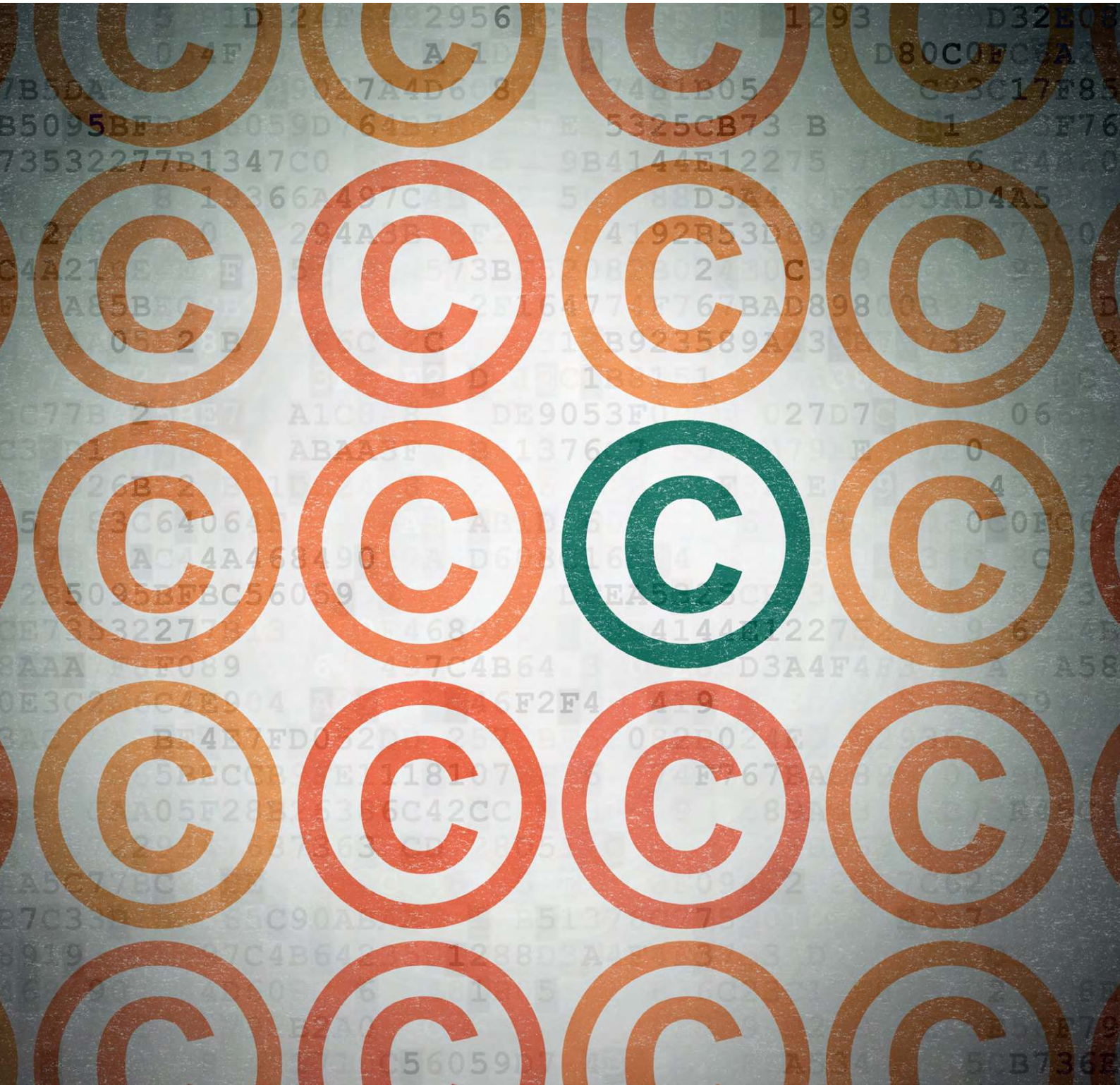


INTELLECTUAL PROPERTY 2019 EXPERT GUIDE

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Five Functional Requirements for an Automated Trade Secret Asset Management System

By R. Mark Halligan

Taxonomy

Automated trade secret asset management systems start with a taxonomy easily understood by everyone in the organisation. One taxonomy that works is [subject] [format] [product]. “Has anyone seen the Engineering Specifications for the Model 5750?” *Engineering* is the Subject, *Specifications* is the Format, and the *Model 5750* is the Product.

Scoring

The trade secrets must be scored by some method that reflects legal standards and is easy to use. All trade secrets are not created the same. Some are better than others. The Restatement Six-Factor litmus test provides an automated means for scoring trade secret assets using a one-to-five scoring mechanism in which each of the six factors is scored from one (low) to five (high). Everyone is familiar with a one-to-five scoring system from grades in school to film review ratings.

Metadata

The automated trade secret asset management system is a trade secret “card” catalogue equivalent to a library card catalogue. The automated system never exposes the actual trade secret. Instead, it provides a *pointer* to the trade secret. This ensures maximum security. Other “registry” or “inventory” approaches which warehouse “trade secrets” in one location inherently weakens the “trade secret” because other persons are exposed to the information in a target-rich environment. A method of asset manage-

ment should not reduce the value or security of the assets themselves. Like a library card catalog, which contains no books, an automated trade secret asset system contains no trade secrets.

History

The automated trade secret asset management system must retain all the metadata about trade secrets and be able to reproduce the metadata in effect at any time in the past. The period of interest in trade secret litigation may be two or three years in the past. One cannot litigate a case based on today’s environment; one must litigate based on the evidence during the period of interest. Proof of reasonable measures also requires historical records. The automated trade secret asset management system must retain all the prior metadata to prove that reasonable security measures have been taken to protect the trade secret.

Proof

The automated trade secret asset management system must contain methods for proving that historical metadata is contemporaneous with the period of interest and not an artificial construct prepared for trial. This is now possible with blockchain technologies. The blockchained metadata is irrefutable, tamper-free, and self-authenticating.

Automated trade secret asset management systems will usher in another period of dramatic intellectual property growth by providing effective ways to identify, classify, protect and value trade secrets assets. The time is now.

R. Mark Halligan is recognised as a one of the leading lawyers in trade secrets litigation in the United States by Legal 500 and he is recognised by Chambers USA: America’s Leading Lawyers for Business for his exceptional standing in intellectual property law.

Managing Intellectual Property recognises Mr. Halligan as an “IP Star.” He is a partner and trial lawyer at the Chicago offices of FisherBroyles, LLP. He is a Past-President of the Intellectual Property Law Association of Chicago (IPLAC) and he is the General Editor of the Intellectual Property Law Handbook (2017) for the Illinois Institute of Continuing Legal Education (IICLE).

Mr. Halligan has authored several books including Trade Secret Asset Management 2018: A Guide to Information Asset Management Including RICO and Blockchain. Mr. Halligan is a prolific lecturer on trade secret issues having spoken to IP organisations in the United States and worldwide including as a Panelist on Governance and Management of Information Security and Trade Secrets at the Sedona Inaugural WG12 Meeting in Los Angeles, California; the Defense Research Institute; the American

Intellectual Property Law Association (AIPLA); the American Bar Association, the Richard Linn Inn of Court; the Licensing Executives Society; The International Association for the Protection of Intellectual Property (AIPPI); and other local and national bar associations.

Mr. Halligan is also recognised as a leading authority in developing corporate trade secret asset management systems for the identification, classification, protection and valuation of trade secret assets. Mr. Halligan was selected by Corporate LiveWire as the 2018 Innovator of the Year for his co-invention of the new Trade Secret Examiner® software platform for trade secret asset management.

Mr. Halligan has taught Advanced Trade Secrets Law at John Marshall Law School for 24 years. Mr. Halligan was a key resource for the Defend Trade Secrets Act of 2016, being the first to advocate a federal civil cause of action (without preemption) with ex parte seizure provisions in 2008. See R. Mark Halligan, Protection of U.S. Trade Secret Assets: Critical Amendments to the Economic Espionage Act of 1996, 7 J. Marshall Rev. Intell. Prop. L. 656 (2008).

